



**I/3 Interim Customer Council Meeting
MINUTES (APPROVED)**

Thursday, June 8, 2006 ~ 1:30 – 3:30 p.m.
Hoover Building, B Level, Conference rooms 2 & 3

Members Present:

Roger Stirler, Department of Education; Charlie Smithson, Ethics; Steve Mosena, Department of Human Services; Rich Jacobs, Department of Revenue; Peggy Sullivan, Judicial; Carl Martin, AFSCME; Joel Lunde, DOM, John Baldwin, Department of Corrections.

Members Absent

Penny Westfall, ILEA

Guests

Mollie Anderson, DAS Director; Lori McClannahan, DAS-I/3; Sharon Sperry, DAS-I/3; Deb Madison-Levi, DAS; Cal McKelvogue, DAS; Julie Sterk, DAS; Jay Cleveland, DAS; John Gillispie, DAS; Patricia Lantz, DAS; Laura Riordan, DAS; Pat Harmeyer, DAS, John Hove, DAS.

Call to Order

Meeting called to order by Chairman Roger Stirler at 1:35 p.m.

Approval of Minutes – May 19, 2006

Rich Jacobs moved to approve the minutes. Steve Mosena seconded the motion. (Charlie Smithson abstained). Motion passed.

FY08 Rate-setting discussion (determine proposed rate).

- Rate to be established by Friday, June 23, 2006
- DAS to send rate information to departments 1st week of July
- Comment period from agencies to end July 31, 2006
- DAS and Councils to meet week following to approve rates
- Discussion regarding Workforce Development (IWD) request to change FTE's to be a more current figure.
 - Option # 1 (currently being utilized) – uses FTE current for '08 and revenues & expenses for FY05
 - Option # 2 – “true-up” of FTE information from current quarter.
 - Option # 3 – FTE's by month, recalculating each month what each department owes.
- General Discussion items
 - General discussion concerning methodology.
 - Is there a way for customers to reduce their cost for the I/3 system?
 - What controls are there over the I/3 costs?
 - Noted that there must be a system to operate state government and at this point, there isn't anything to cut back to.
- After lengthy discussion, Carl Martin made the motion to move to Option # 2. Receiving no second, the motion failed.
- Discussion of the IT portion of the I/3 system ensued.
 - There will be a point where the system is utility fee driven and 100% funded from that balance (note tab 3, page 2).
 - Big ticket items include: salaries, indirect expenses (utility fees and services it received and reimbursements to ITE, which are fees I/3 is billed for storage).

- Staffing levels, non-SME FTEs/HRIS staff
- Equipment
- Maintenance
- Licenses & fees
- Additional general discussion and of Other Costs associated with I/3.
 - IFAS system on mainframe for departments still using it for payroll reports and tables.
 - We're at the peak of the cost – however, could be more with HR module
 - 100% salary adjustment assumption
 - Customers need to have functional breakdown with description of associated costs; they will need to understand the kind of “base cost.”
 - Educate customers on fixed costs.
 - Include functional titles of staff for better understanding of their roles
- Setting the FY08 I/3 Rate
 - Rate is set at the \$4.5 million level, with understanding that agencies build in FY07 rates for budgetary purposes.
 - IDOM will support DAS in their ask for the \$2.2 million portion.
 - If we get \$2.3 million, we have to lobby for the fact that there will be no increase to agencies for operation of I/3 in the next fiscal year.

John Baldwin placed a motion to tentatively approve, and to review at the next Council meeting pending the receipt of submitted comments, the rate that generates the \$4.5 million with \$2.3 million funded by the agencies and \$2.2 million funded by appropriation request by DAS, – **Joel Lunde** seconded the motion; the motion passed. One dissenting vote by **Carl Martin**.

Update on I/3 System – Sharon Sperry & Lori McClannahan

A new I/3 reporting system for users has been implemented and users report that the information and screen shots sent today are very helpful. We are in the process of deploying out and working with every agency; there are suggestions already and there will be constant updates. Additionally, we are working on year end activities and on a better planning document to give users an idea of what we're working on with realistic dates; it is a busy time of the year for financial processes.

DAS Director's Report. **Mollie Anderson** commented that she hopes that the Council perceives some comfort from the IDOM budget memo that was sent out recently, adding that what we need to recognize is that we have to have a discussion whether this is funded by appropriation and that, with a new Administration coming in, that they see that it needs to be funded as a part of doing business. We are seeing improvements and staff have improved methods of tracking as well. Our plan is to focus on the issues that we've identified and to make certain the system performs and does not add burdens and to focus on getting the full value that was originally expected.

Mollie Anderson encouraged Council members to tour the Hoover Building to view the changes that have taken place since the DAS facility move was implemented. There are several new conference rooms available on the A level; she added that if folks have not had a chance to check out the Department of Corrections at the Jessie Parker Building, they should take a moment to do so. She added that we're about 99% occupied on the campus. The ICN will soon be on campus and Homeland Security has moved out at STARC.

Agenda Items for Next Meeting (July 13, 2006). None. No meeting will be held in July, 2006. **The next I/3 Customer /Council meeting will be held Thursday, August 10, 2006, 1:30 p.m., Hoover B Level, Rooms 2 & 3.**

Close and Adjourn – Roger Stirler. The meeting adjourned 3:09 p.m.

Respectfully submitted,
Deb Madison-Levi, DAS Communications

Corrected & Approved by the Council: August 17, 2006